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**Ways & Means Committee**

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**HB 2803**

**Brief Description:** Concerning health care services for incarcerated offenders.

**Sponsors:** Representative Cody.

**Brief Summary of Bill**

- Requires providers of hospital services that are licensed with the Department of Health to contract with the Department of Corrections (DOC) for inpatient, outpatient, and ancillary services.
- Requires the DOC to use Provider One to pay outside hospital claims,
- Requires the DOC to reimburse hospital providers at no more than Medicaid rates for treatment of DOC offenders.

**Hearing Date:** 3/1/12

**Staff:** Alex MacBain (786-7288).

**Background:**

Health Care Services for Offenders

When an offender enters the custody of the Department of Corrections (DOC), a health profile for the offender must be prepared, including a financial assessment of the offender's ability to pay for all or a portion of the health care services received from personal resources or private insurance. Offenders are required to pay a co-pay no less than \$3 dollars per visit. The co-pay may be collected from the offenders' institution account and is deposited into the General Fund. Offenders are not required to pay a co-pay for emergency treatment, visits initiated by health care staff, or treatment for a serious health care need.

The DOC has taken several steps over the past few years to contain health care costs. These steps include:

- payment of all eligible inpatient hospital and related services through Medicaid;

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- utilizing a management team of nurses to monitor payments to outside providers as well as care provided within DOC facilities;
- contracting with the Washington State Health Care Authority (HCA) pharmaceutical consortium to reduce the cost of prescription drugs in prisons; and
- implementing protocols and processes to ensure services are evidence-based and medically necessary.

### Regulation of Hospitals

Hospitals in Washington must be licensed by the Department of Health (DOH). The DOH establishes standards for the construction, maintenance, and operation of hospitals, including standards for the care and treatment of patients. The DOH issues, denies, and revokes licenses; conducts surveys and inspections of hospitals; determines sanctions for violations of DOH standards; and receives regular reports on each hospital's governance and finances, as well as certain patient care measures.

### **Summary of Bill:**

Offenders must participate in the costs of their health care services by paying an amount that is commensurate with their resources as determined by the DOC or a nominal amount no less than \$4 dollars per visit. All co-payments collected must be used to reduce expenditures for offender health care at the DOC. An offender must make a co-payment even if the health care service is for emergency treatment, initiated by health care staff, or treatment for a serious health care need.

To the extent allowed by federal law and that federal financial participation is available, DOC is authorized to act on behalf of an inmate for purposes of applying for Medicaid eligibility.

Providers of hospital services that are licensed with the Department of Health must contract with DOC for inpatient, outpatient, and ancillary services, as a condition of licensure. Payments to hospitals from DOC for these services shall be:

- paid through the Provider One system operated by HCA;
- reimbursed using the reimbursement methodology in use by the state Medicaid program; and
- reimbursed at a rate no more than the amount payable under the Medicaid reimbursement structure.

**Appropriation:** None.

**Fiscal Note:** Requested on February 27, 2012.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.